

Volume No. 1—Policies & Procedures	TOPIC NO.	20355
Function No. 20000—General Accounting	TOPIC	PURCHASING CHARGE CARD
Section No. 20300—Cash Disbursements Accounting	DATE	March 2006

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Overview

Introduction

Purchasing charge cards (purchasing cards) offer State agencies and institutions the opportunity to streamline their procedures for procuring and paying for small dollar goods and services. The purchasing card program reduces the volume of accounts payable transactions and the associated administrative costs by eliminating vendor invoices and consolidating multiple vendor payments into one monthly payment to the charge card vendor. Vendors are paid directly by the purchasing card contractor, currently GE MasterCard. In addition, the purchasing card contractor provides a variety of management information reports to assist agencies in maintaining control over purchases and payments to include e-bill, NetService, and Strategic Account Management (SAM).

While the use of a purchasing card leads to accounting efficiencies, agencies and institutions must maintain strict internal control over the use of cards and ensure that relevant procurement guidelines are observed, especially those detailing the use of State contracts and eVA. The purchasing card should be viewed at all times as an efficient means of payment, not a substitute for proper procurement procedures.

An agency interested in participating in the Small Purchase Charge Card (SPCC) program or the “Gold” card program should contact the Commonwealth’s Charge Card Analyst at (804) 371-4350 or cca@doa.virginia.gov. Forms can be obtained from DOA’s Charge Card Administration web page. The web page address provided below should be bookmarked for future reference.

http://www.doa.virginia.gov/Payroll/Charge_Card/Charge_Card_Main.cfm

Role Definitions

Agency Program Administrator (PA) —This individual is **registered** with GE MasterCard and the Department of Accounts as the only person authorized to make changes (e.g., add or cancel cards, change limits) for the SPCC program at the agency or corporate account level. The Program Administrator is designated by the agency head or similar authorizing officer using a Program Administrator form obtained from the DOA’s Charge Card Administration web page.

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Charge Card Analyst and Gold Card Statewide Program Administrator (SPA): Department of Accounts—This individual is responsible for monitoring and reporting on statewide program activities for all charge card programs. The SPA receives and processes agencies' Program Administrator forms, establishes new user accounts for online access, provides statewide training, resolves programmatic issues with GE MasterCard on behalf of the Commonwealth's agencies and institutions, and reviews written agency requests for exceptions to these accounting policies and procedures.

The SPA administers the Gold program on behalf of all participating agencies and institutions. Only the SPA and authorized DOA personnel can make changes (e.g., add or cancel cards, change limits) for the Gold program.

Commonwealth of Virginia National Account Manager: GE MasterCard —This individual is dedicated to the Department of Accounts and represents GE MasterCard in all activities related to the administration of the corporate purchasing card contract. These activities include initial program sign-up and training, management information assistance and research, participation in statewide training programs, and problem resolution.

Charge Card Administration Contract Administrator: Department of Accounts—This individual represents the Commonwealth of Virginia in all contract negotiations with the Purchase Charge Card, Gold card, and travel card provider.

Charge Card Vendor Relations/State Procurement Contracts Administration: Department of General Services/Division of Purchases and Supply—This unit provides resources to the purchasing card program on all matters related to procurement, including contracts. For questions relating to eVA, procurement, and vendor relations, contact your agency's eVA representative.

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Policy

Introduction The following policies and procedures apply to the use of the Small Purchase Charge Card by *all* agencies and institutions of the Commonwealth. Most policies and procedures also apply to the Gold program. Differences are noted where appropriate.

Purchases Limit The small purchase transaction limit is \$5,000 per charge and the monthly limit is \$100,000. **A Program Administrator may not increase a cardholder's per transaction limit above \$5,000, or their monthly limit above \$100,000, without express written authorization by the Department of Accounts.** The Department of Accounts may cancel the program administration authority of any Program Administrator found to be in violation of this policy. **A cardholder may not, under any circumstances, authorize any charge in excess of the transaction limit set by the Program Administrator.** Violation of this policy will result in revocation of charge privileges for a minimum of three months as well as reflection in the Comptroller's *Report on Statewide Financial Management and Compliance*. Repeat offenses will result in permanent revocation.

Card Use **Agencies assume ultimate liability for employees' use of the card.** Purchasing cards may be issued to full or part time employees, but not to contract workers. Purchasing cards must be used for official Commonwealth of Virginia purchases only and all purchases must comply with the same State procurement regulations in effect for any other means of payment. Use of the card for personal items, cash advances, and business travel expenses, with the exception of airline and mass transit tickets, is not permitted. Accommodations and Restaurant purchases must be blocked on all cards. Temporary or permanent removal of these restrictions to allow for non-travel related purchases (e.g., meeting rooms or catered business meals) may be considered by the agency Program Administrator on a case-by-case basis.

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Airline Ticket Purchase

Airline ticket purchases, like all other purchases made with the card, may not exceed the card limits. Agencies and institutions must use one of the other options listed below for charges in excess of the Purchase Charge Card (SPCC) limits:

- ◇ GE MasterCard *Agency* Travel Card
- ◇ GE MasterCard *Individual* Travel Card

Electronic & Paper Airline Tickets

Note that some new airline travel regulations require that passengers who purchase electronic tickets with a charge card must produce the card at check-in. It is recommended that verification be performed with the airline of choice to determine its practices.

IAT for State Classes & Services

The purchasing card may be used to pay for classes/services provided by another state agency **only if** the agency accepts MasterCard and payment cannot be made by Interagency Transfer (IAT). The use of an IAT saves discount fees.

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Program Administrator Responsibilities

The Procurement Director or a designee who is familiar with procurement regulations will act as the primary Program Administrator (PA) at each agency or institution.

The Program Administrator is responsible for:

- Issuing cards;
- Ensuring that annual analysis of each cardholder's usage and limits is performed and documented;
- Promptly canceling cards as appropriate;
- Monitoring and canceling inactive cards. A list of cards not used in the past 13 months is available through SAM. The PA must periodically review inactive cards and cancel those no longer needed;
- Removing, either permanently or temporarily, the Industry Restrictions (Travel, Accommodation, Gas/Oil, Car Rental and Restaurant/Food) on individual accounts on a case-by-case basis;
- Training cardholders in proper card usage, security, and procurement guidelines;
- Ensure cardholder's supervisors are trained in their roles using the Supervisor training which is available on DOA's Charge Card Administration web page;
- Communicating with DOA's Charge Card Administration team on such matters as who is to receive access to monthly billings, additional statements, and management reports;
- Ensuring that the fiscal office notifies DOA if the paper bill from GE MasterCard is not received by the designated staff member by the 23rd of each month;
- Ensuring agency and cardholder compliance with all SPCC policies and procedures presented in this manual, in updates, on the DOA website, or in mandatory training sessions, including proper processing of monthly payments;
- Promptly notifying DOA and GE MasterCard of any potential or confirmed fraudulent use of the purchasing card and steps that are being taken to address the issue (e.g., card cancellation, communication with the vendor and/or GE MasterCard, notification of law enforcement officials as appropriate.); and
- Managing vendor issues pertaining to not receiving ordered goods/services or incorrect charges. If resolution can not be made at the Program Administrator level, notify GE MasterCard through SAM, providing the necessary information referenced on the back of the monthly bill.

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Program Compliance

Maximum use of the SPCC program in conjunction with other electronic commerce initiatives is a best practice essential to the statewide effort to reduce the costs associated with paying for goods and services for the Commonwealth. Agencies and institutions that are not maximizing charge card use and the associated cost savings are identified quarterly in the Comptroller's *Report on Statewide Financial Management and Compliance*. Agencies and institutions that fail to make accurate, timely payments are also reported. Agencies will receive detailed listing of the vendors who were paid by means other than the SPCC which will be sent to the Program Administrator each quarter.

Program Administrator Back-Up

Agencies should designate a back-up Program Administrator who is also familiar with procurement regulations. However, each agency or institution participating in the SPCC program will have no more than two Program Administrators. DOA will consider written requests for additional Program Administrators at the agency level on a case by case basis.

Training

All Program Administrators, including back-ups, will be required to attend annual training to be presented by DOA and other parties responsible for administering the statewide SPCC program. Additionally, Program Administrator training is available on DOA's Charge Card Administration web page under Purchase Card Program.

For agency staff that approve a cardholder's monthly logs, such as supervisors or reviewers, training is required and available on DOA's Charge Card Administration page.

Every effort will be made to provide all training online to minimize the costs associated with travel to Richmond.

State Contract Vendors

The purchasing card must not be used to circumvent procurement guidelines, particularly those designed to maximize the Commonwealth's purchasing power through State contracts. Efforts should be made to use State contract vendors who accept the purchasing card, where appropriate, and in order to maximize administrative cost savings. Questions regarding the appropriate use of the purchasing card should be directed to the agency's Program Administrator.

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Electronic Commerce

Web-based purchases, particularly through eVA, are encouraged provided the requirements of the Department of General Services' (DGS) Electronic Commerce Policy are followed in all cases. This policy is available on the DGS website at <http://dps.dgs.virginia.gov/dps/>. Online training may be used to supplement, not substitute agency-specific training of cardholders conducted by the Program Administrator.

An agency can set up purchasing card holders in eVA as users in order to maximize the benefits provided by using the purchasing card on eVA orders. All cardholders are prohibited from faxing card information or sharing card information with anyone to make a purchase. eVA encrypts all purchasing card information. Vendors equipped for electronic transmission will receive the card information in a secure format. eVA enables orders to be prepared "On Behalf Of" purchasing card holders where an employee can place an order to a cardholder's purchasing card. However, the cardholder is required to be included in the eVA workflow for approval and notification.

Establishing the expenditure limit within eVA for the purchasing card at \$0.00 can accommodate this requirement. This configuration will systematically require approval by the purchasing card holder for all requisitions prior to the creation of a Purchase Order in eVA. Additional workflow options are available in eVA and your DPS Account Executive can further assist in configuring agency workflow to meet this mandatory requirement.

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Procedures

Card Issuance, Cancellation and Changes

All purchasing card services must be obtained through participation in the Statewide contract administered by the Department of Accounts (DOA). The agency Program Administrator is the liaison between the agency, DOA, DGS/DPS, and the purchasing card contractor, GE MasterCard. Any agency interested in participating in the purchasing card program should contact the Commonwealth's Charge Card Analyst at (804) 371-4350 or cca@doa.virginia.gov to obtain the necessary forms and information.

The Program Administrator form, which is used to designate or change Program Administrators can be found on DOA's Charge Card Administration web page at www.doa.virginia.gov/Payroll/Charge_Card/Charge_Card_Main.cfm and must be faxed to DOA at (804) 786-9201. The document is 1 page in length with an instruction page.

Program Administrators must ensure that purchasing cards are issued to only those individuals who have appropriate purchasing authority. When requesting a card for an employee, the applicant's supervisor must provide the Program Administrator with documentation supporting the issuance of the card, including an analysis of the potential type and level of activity and justification for per transaction and monthly limits. Program Administrators must set limits, at or below statewide caps of \$5,000 per transaction and \$100,000 monthly, based on this analysis. Supervisors must review cardholder limits annually and document the analysis, in writing, for the Program Administrator. DOA recommends supervisors use an Annual Purchase Card Review form for each cardholder. This documentation must be kept on file at the agency for audit purposes.

Cards are issued with the name of the cardholder and the cardholder's agency name embossed on the front. Cardholders must receive training and sign an employee agreement form prior to obtaining the purchasing card. A sample of which is included in this topic. DOA recommends the Program Administrator have each cardholder and supervisor complete the Employee Agreement form each time a renewal card is received for a cardholder.

If a purchasing card is issued to a high-level administrator (school superintendent, department head, etc.), the agency must document the procedures that will be used to ensure proper internal controls and accountability in the absence of monthly supervisory review. An annual request for exemption, including such documentation, must be submitted to DOA for review and approval.

Program Administrators can remove Industry restrictions on a case-by-case basis. Please refer to the Optional Controls section for further information.

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“Gold Card” The purpose of the “Gold” program is to optimize the Commonwealth’s participation in electronic commerce. This will be accomplished by allowing certain individuals higher limits (up to the maximum defined as a small purchase in the Virginia Public Procurement Act) for use of the Commonwealth’s charge card program. With the exception of references to the transaction and monthly limits, all requirements in this CAPP Topic are applicable to the Gold Card with enhanced limits.

The transaction limit for the Gold Card is \$50,000 per transaction and the monthly limit is \$250,000, set by the Statewide Program Administrator at DOA. **A cardholder may not, under any circumstances, authorize any charge in excess of the transaction limits set by the Statewide Program Administrator.** The Department of Accounts will cancel the card of anyone found to be in violation of this policy.

Agencies and institutions may request only the minimum number of cards to meet their needs. Gold cards can only be issued to full-time classified purchasing/procurement professionals as well as other staff members the Agency Head deems responsible with the higher limits as well as procurement regulations. These professionals are evidenced by a certification from a recognized certification organization or certification by the agency head or designee that the cardholder is proficient in the knowledge of the Virginia Public Procurement Act and the Agency Procurement and Surplus Property Manual. A Virginia Contract Officer certification is preferred. **This individual may not hold a small purchase charge card.** They are to use their Gold card for all purchases up to the designated Gold card limits.

Applications must be signed by the Agency Head and submitted to DOA for consideration. If approved, the cardholder will use the Gold card for all purchases up to \$50,000, provided those purchases comply with all procurement requirements and regulations.

The Statewide Program Administrator issues the cards and trains cardholders. The Statewide Program Administrator may cancel cards inactive for more than 90 days.

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Multiple SPCC Cards

All agencies and institutions with cardholders that have more than one SPCC card issued in their name must conduct an annual review of the need for multiple cards and determine appropriate combined limits. Documentation of the review must be kept on file at the agency for audit purposes. DOA requires completion of the Request for Exception for Multiple Cards to be submitted annually for review. This form is to include the last 6 digits of the account numbers only. This form is located on DOA's Charge Card Administration web page at:
www.doa.virginia.gov/Payroll/Charge_Card/Charge_Card_Main.cfm.

Sample Forms: Request and Employee Agreement

Samples of a Purchasing Card Request form for the SPCC card and an Employee Agreement form are shown on the following pages. These forms represent the minimum documentation for card issuance. Agencies may choose to add requirements to the forms, but may not require less.

Note: Annual supervisory assessments of cardholder activity and spending limits are required of all cards, regardless of date of initial issuance. During this annual review, a certification must be sent to DOA by the Agency's Program Administrator certifying that all cardholder accounts have been reviewed and any changes, if necessary, have been made. This form is provided on DOA's Charge Card Administration web page to be completed and faxed to the Charge Card Analyst at DOA.

Gold card information and applications can be obtained by contacting the Statewide Program Administrator at cca@doa.virginia.gov.

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Commonwealth of Virginia Corporate Purchasing Card Request

Agency Name and Number

Date of Request_____

TO: _____ FROM: _____
Program Administrator Unit Manager/Supervisor

A purchasing charge card is hereby requested for the following employee under my supervision **(please print or type all information as requested below)**.

Name as it should appear on the card: _____

Mailing Address: _____

Employee's Work Phone (____)_____

Employee's Email:_____

Employee's Date of Birth (MM/DD/YY):_____

(Date of Birth is required for the cardholder's Security Code with GE MasterCard)

I hereby certify that I have examined this employee's duties and estimate that the purchasing card will be used for approximately _____ transactions per month at a dollar value range of \$_____ to \$_____ per transaction (attach analysis).

[NOTE: A "transaction" is one order placed with a vendor who accepts the card.]

Based on these estimates, I am requesting limits of \$_____ per transaction (not to exceed \$5,000) and \$_____ total per month (not to exceed \$100,000) be placed on this card. I will examine this cardholder's activity at least annually and provide written recommendations regarding limit changes.

I further certify that I will review and approve this cardholder's transactions and supporting documentation on a monthly basis.

Signed: _____ Date: _____
Requesting Authority

Approved by Program Administrator: _____

Date Turbo file submitted to DOA: _____

Supporting Documentation Attached

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Commonwealth of Virginia Corporate Purchasing Card Employee Agreement

I, _____, acknowledge receipt of a GE MasterCard Corporate Purchasing Card. As a Cardholder, I agree to comply with the following terms and conditions regarding my use of the Card.

1. I understand that I am being entrusted with a valuable purchasing tool and will be making financial commitments on behalf of my agency and will strive to obtain the best value for the agency by using State contracts and other "preferred suppliers" as identified by the Agency's Purchasing Department.
2. I understand that my agency is liable to GE MasterCard for all authorized charges made on the Card.
3. I agree to use this Card for approved purchases only and agree not to charge personal purchases. I understand that my agency will review the use of this Card and the related management reports and take appropriate action on any discrepancies.
4. I will follow the established procedures for the use of the Card. Failure to do so may result in either revocation of my privileges or other disciplinary actions, including termination of employment.
5. I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organizational change that causes my cost center to likewise change, I also agree to return my Card and arrange for a new one, if appropriate.
6. If the Card is lost or stolen, I agree to notify the Program Administrator and GE MasterCard immediately.
7. I understand that in order to properly purchase goods and services, I must use eVA for those purchases that qualify and record the PCO (Purchase Card Order) number on the purchasing log. For those goods and services excluded from eVA by Section 14.9.b of the Agency Procurement and Surplus Property Manual (APSPM) and purchased via the internet, not through eVA, the vendor must have a Secure Socket Layer (SSL) Version 2.0 or greater. To ensure the vendor has a SSL, the address window must start with https://. I will record the vendor's website address on the purchasing log.

Employee Signature	Date
Supervisor's Signature	Date
Program Administrator's Signature	Date

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Dollar Limit Per Transaction

This limit allows agencies to designate the maximum dollar amount allowed for Cardholders to spend on each purchase or transaction (maximum of \$5,000). At the point-of-sale, GE MasterCard's system verifies that the purchase amount falls within the approved transaction limit. If the amount requested for authorization exceeds the limit set by the Program Administrator, the authorization is denied. If a cardholder authorizes a charge in excess of the per transaction limit established for that card, whether by splitting the invoice, encouraging the vendor to circumvent the GE MasterCard denial, or any other means, the card will be revoked for a minimum of *three* months. Repeat offenses will result in permanent revocation. A Program Administrator may temporarily increase a cardholder's limit (not to exceed \$5,000) in order to accommodate a one-time purchase in excess of the established limits. The PA should maintain documentation at the agency for audit purposes and provide such documentation to DOA, if requested.

Dollar Limits Per Cardholder

This limit allows agencies to designate the total amount an employee can spend during the monthly billing cycle (maximum of \$100,000 per billing cycle.) A running balance is maintained in GE MasterCard database that increases with each authorized charge until the cardholder reaches the assigned monthly limit. If the limit is reached before the end of the billing cycle, new attempts for authorization are denied.

Optional Controls

When a Program Administrator is applying for a new card, all industry restrictions must be applied. The restrictions are Accommodations, Car Rental, Oil/Gas, Restaurant/Food and Travel. These industry restrictions are based on merchant category codes (MCC's). The restrictions enable agencies to have additional controls on cardholders to prevent or limit the amount of charges that are travel related which do not belong on the SPCC card. **Travel charges, other than airline tickets and mass transit tickets, must be on the Travel Card.** A listing of all MCC's as well as which MCC's are included in each of the Industry Restrictions are listed on DOA's Charge Card Administration web page under GE Information.

Program Administrators are allowed to remove, for valid reasons only, accommodations and restaurant restrictions on all their SPCC cards. It is the responsibility of the Agency Program Administrator to review the cardholders' accounts periodically to assess if the permanent restriction removal is still needed. If the restriction is no longer necessary, the Program Administrator must turn the restriction back on immediately. This assessment can be made to coincide with the required annual analysis of each cardholder's usage and limits.

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Requirements for reviewing and removing Industry Restrictions:

- Obtain written request (email is sufficient) from the cardholder's supervisor stating the need for the cardholder to use the Purchase Card for a specific charge or series of charges, which are classified under an Industry Restriction. This statement must describe, at a minimum, the estimated date of the purchase(s), dollar amounts and the reason for the purchase.
- Assess the statement to determine the appropriateness of the Purchase Charge card use as well as the need for a temporary or permanent restriction.
- Call GE Customer Service for PA's at 866-843-1368 option 1 or send an e-mail to cov.crr@ge.com and request the restriction be lifted. You must provide the card number (**last six digits only**), cardholder name, and the restriction to be removed. Restrictions that can be removed are:

<u>Description</u>	<u>GE Code</u>
Travel	COVT001
Accommodations	COVA001
Gas/Oil	COVG001
Car Rental	COVC001
Restaurant	COVR001

- Print the email response returned from GE and attach it to the written request (or email) from the cardholder's supervisor requesting the need for the removal of either one or both of the mentioned restrictions. If the request was made via phone, note the date, time and the person with whom you spoke on the request.
- Maintain a file with the requests and associated backup since it may be requested for audit purposes.
- Assess annually, using the file of information created in the step above, those cardholders with permanent restriction removals to determine necessity for restriction removal. This assessment can be made to coincide with the required annual analysis of each cardholder's usage and limits.

Restrictions can be changed on a temporary basis to allow for a one-time purchase by contacting GE via 866-843-1368 option 1 or by emailing cov.crr@ge.com and specifying the dates for when the restriction is to be reinstated, or the changes can be permanent.

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Changes to Cardholder Information

The agency Program Administrator must be contacted when changes need to be made to existing purchasing cards. If a new purchasing card needs to be issued, the cardholder should receive the replacement card in 7-10 business days. Rush ordering is available, but GE MasterCard may charge a fee for this service.

Apply for a Card

Upon receipt of a new card application, the Program Administrator must update the agency's Turbo file to request the new card. All the data required for the Turbo file is included in the Purchase Card Request form in this topic except for expiration date. The expiration date must be the month of application and the year must be two (2) years from then. For example an application received in January 2006 would have an expiration date of January 2008.

Once the Turbo file is updated with the new card application, it must be sent to DOA for processing. Please email the file as an attachment to cca@doa.virginia.gov for processing. Files received by 1pm will be submitted to GE the same day.

Any Turbo file sent must only have new cards listed, do not include any old cards or duplicate cards will be issued.

Cards typically will be delivered within 10 days.

Card Cancellation

Upon termination of employment, including retirement, a card must be cancelled. The cardholder must surrender the purchasing card to his or her supervisor immediately upon request by the Program Administrator.

For SPCC Cards:

The Program Administrator is responsible for canceling the card, using SAM/NetService, and disposing of the card according to agency policy. If the agency Program Administrator or back up is not available, the Agency Head or designee must contact DOA for assistance with card administration.

For Gold Cards:

DOA must be notified immediately upon termination of any Gold cardholder. As Program Administrator for the Gold Program, DOA will take the necessary information from the supervisor and forward information to the supervisor regarding obtaining a new Gold card.

Agencies must contact DOA for all Gold card cancellations, changes and additions.

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Card Suspension

Program Administrators have the ability to suspend cards for a stated period of time. This option can be used for many reasons to include:

- History of abuse and suspension of card for a period of time
- Cardholder is on extended period of leave such as Disability, Medical, etc.
- Cardholder is a 10-month employee and will need card reinstated upon restart.

This option is completed by the Agency Program Administrator using SAM/NetService. If the Agency Program Administrator or back up is not available, the Agency Head or designee must contact DOA for assistance with card administration.

Enhanced Management Features

The following features are available for enhanced management of the purchasing card.

- **Preferred Supplier Restrictions:** This feature helps agencies manage relationships with preferred suppliers by restricting cardholder spending to select merchants. Agencies can also use this feature to improve management information by establishing preferred relationships with suppliers that can provide enhanced data capture. Enhanced data capture allows accounting or other information to be added at the point of sale. Agencies can contact DOA's Charge Card Administration team for more information.
- **Access to SAM and NetService:** All Program Administrators must have access to SAM and NetService in order to manage their agency's SPCC program. This online access allows Program Administrator's to view cardmembers' charges, change limits, cancel cards, suspend cards, transfer accounts, change addresses and accounting information. Program Administrators must request access to SAM and NetService using the Program Administrator form on DOA's Charge Card Administration web page.
 - In addition, access to NetService is required for all individuals who need access to the Agency's Monthly Consolidated e-Bill sent electronically. These individuals are usually the Fiscal staff who process the monthly voucher for payment to GE MasterCard. For these individuals, their Program Administrator must complete and fax to the Charge Card Analyst the Agency Electronic Bill Request form which is located on DOA's Charge Card Administration web page.

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-
- **E-Bill:** This is a version of the Monthly Consolidated bill, which each agency receives in paper format around the 20th of each month. With e-Bill, an agency can designate certain staff to access their Monthly Consolidated information for review and download. This will occur 24 hours after the monthly cycle close for GE MasterCard. This enables agencies to process their payment to GE MasterCard in a more timely manner rather than waiting on the paper bill days later. Also, it allows agencies to view information in case their paper bill gets lost or is not received completely. To enroll in e-Bill, all individuals who will need access to e-Bill must have a NetService account. The enrollment form for the e-Bill is on DOA's Charge Card Administration web page and agencies must be signed up for e-Bill in order to receive their Monthly Consolidated statement electronically. Program Administrators automatically receive access to the agency consolidated e-Bill.
-

Purchasing Card Security

Authorized use of the purchasing card is limited to the person whose name appears on the face of the card. The purchasing card or its number must not be loaned to another person. If a cardholder knowingly allows another person to use the card, the named cardholder's privileges will be revoked for a minimum of three months. This does not preclude a cardholder from placing an order with a vendor by telephone or electronically and then sending a representative to claim the items ordered. The account number must not be faxed to vendors. Agencies desiring an exemption to this provision must contact DOA in writing and document procedures that are in place to ensure that faxed documents will not be misdirected, thereby exposing the card number to someone other than the intended recipient.

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The purchasing card should be kept in an accessible but secure location. The account number on the purchasing card should not be posted or left in a conspicuous place. A vendor may be allowed to keep the card number on file under the following, limited, conditions:

- The cardholder must make initial contact with the vendor to provide the card number.
- The vendor must keep the card number in a secure, preferably electronic, file.
- The vendor must assign a separate, store account number for use by representatives of the cardholder so that the card number is not shared.
- The vendor must contact the cardholder for final authorization to process the charge.

If the purchasing card is lost or stolen, the cardholder must **immediately** notify the agency's Program Administrator and GE MasterCard.

Agencies of the Commonwealth of Virginia are liable for the use of the purchasing card by authorized users, provided that use is within the single per transaction dollar limit not exceeding \$5,000. The Commonwealth does not accept liability for the following:

- Unauthorized use of the purchasing cards.
- Account numbers that are fraudulently used.
- Purchases made with stolen or lost cards that are beyond the maximum limit of \$50 and the maximum length of liability of 24 hours after discovery and reporting of card loss or theft.

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General Requirements for Card Use

Agencies must establish written procedures for use of the purchasing card and provide copies of the procedures to all cardholders and their supervisors.

Procedures must include instructions on maintaining an ongoing log of purchases. Requiring all cardholders to sign up for access to their charges online will facilitate a timely reconciliation due to their ability to check their charges at any time during the month. This also facilitates the cardholder contacting vendors when charges have not been processed even though goods and/or services have been received. Purchase logs must be updated as each purchase is made so spending limits can be monitored and purchasing activity can be reconciled to the monthly charge card statements. To facilitate reconciliation, a new purchasing log may be established or a continuing log may be marked to identify the beginning of each new billing cycle. An example of an Excel version of the SPCC Purchase log is available on DOA's Charge Card Administration web page at www.doa.virginia.gov/Payroll/Charge_Card/Charge_Card_Main.cfm.

To use the card, the cardholder should:

Step	Action
1	Identify a vendor that sells the goods and services needed and accepts the purchasing card. Agency Program Administrators should provide guidance in selecting vendors and in the use of eVA, where applicable. Preference should be given to State contract vendors whenever possible.
2	Go on-line (must comply with DPS' E-Commerce Policy), or go to the vendor's place of business and place the order. Call-in orders are only allowed if the purchase is exempt from eVA. Provide the vendor with specific point of sale information that the agency wants to capture for reconciliation purposes (such as a transaction control number).
3	Give the vendor the account number and expiration date on the purchasing card. The vendor will verify the account number with GE MasterCard. The spending limit will be checked electronically for compliance with applicable limits. If, for any reason, GE MasterCard fails to authorize the transaction, do not allow the vendor to circumvent GE MasterCard's denial. Contact the agency Program Administrator, who will then contact the appropriate GE MasterCard representative.

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General Requirements for Card Use (continued)

Step	Action
4	<p>Enter the purchase information in the cardholder's purchasing log. Purchasing logs should be designed to meet the needs of the agency and may be manual or electronic. The log should contain, but not be limited to, the following information:</p> <ul style="list-style-type: none"> • Agency name and unit • Cardholder name • Date of purchase • Vendor name • Description of purchase • Amount of purchase <p>Agencies may choose to include additional information, such as point-of-sale information given to vendor (e.g., a control number for each specific transaction), 1099 reportability, or other coding detail.</p>
5	<p>When the vendor delivers the order, documentation of the purchase, including dollar amounts (such as a sales receipt or packing slip) should accompany the order. Compare this documentation to the information entered on the log at the time of purchase. Retain all documentation pertaining to the purchase, including receipts or packing slips. These should be kept, in conjunction with the purchasing log, for reconciliation to the monthly statement. Timely reconciliation is essential. Cardholder charge data is available 24 hours a day with online access. If replacement documentation (e.g., receipt) is needed, the vendor must be contacted within 60 days of the purchase.</p>

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Returns, Credits, and Disputed Items

In most cases, disputes can be resolved directly between the cardholder and the vendor that provided the goods and services. A “disputed” charge is one for which the cardholder did not receive what was ordered or there is some other problem with the goods or services ordered. A cardholder may also have a “questionable” charge due to double billing or the vendor name on the statement not matching the back-up documentation (e.g., for online orders.) The cardholder must use the following guidelines when returning or disputing an item:

Step	Action
1	If an item needs to be returned for any reason, contact the vendor in order to send the item back to the vendor in the manner agreed upon. Begin documenting contact names, dates/times of contacts, and what transpired. This documentation should be kept with the resolution action (credit/refund) once the issue is resolved.
2	Request a credit from the vendor for items that are returned. This credit will appear on a subsequent charge card statement. A credit must not be applied to a payment until it appears on the statement. Bills are to be paid in full.
3	Keep all documentation pertaining to returns on file for reconciliation to the charge card statement. The vendor will issue documentation of the return (such as a credit receipt).
4	Enter the return in the purchasing log.
5	For disputes and questionable charges not resolved between the cardholder and the vendor, contact GE MasterCard using SAM/NetService. GE MasterCard will investigate the dispute on the cardholder's behalf and assist in the resolution. Provide GE MasterCard with all documentation to include previous phone calls or contacts with vendor to aid in a more timely resolution. Ensure the cardholder obtains the confirmation number from GE MasterCard.
6	Immediately report all fraudulent charges (not authorized by the cardholder) that appear on the statement to the Program Administrator and GE MasterCard (calling the number on the back of the card). The Program Administrator is responsible for immediately reporting instances of fraud to the Statewide Charge Card Analyst at DOA.

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Charge Card Statement Reconciliation

The agency is responsible for retaining documentation of purchases and returns and reconciling them, with the aid of the purchasing log, to the monthly charge card statement. The following RECONCILIATION PROCEDURES must be followed:

Step	Who	Action
1	Cardholder	Go to www.genetservice.com after the 15 th of each month to access the statement. The statement can be printed.
2	Cardholder	Reconcile the statement to the purchasing log and supporting documentation to verify that purchases and returns are accurately listed on the statement.
3	Cardholder	Document items requiring resolution on subsequent monthly charge card statements.
4	Cardholder	Forward the monthly statement to supervisor, along with written certification that it has been reconciled to the purchasing log and supporting documentation. If there are no charges for the month, notify your supervisor <u>and</u> the accounting office of that fact, in writing, in lieu of a reconciled statement. An e-mail to the accounting office that shows a copy to the supervisor is acceptable. Agencies desiring an exemption to this requirement must demonstrate to DOA, in writing, that compensating controls are in place.
5	Supervisor	Review and approve, <u>by signing and dating</u> , the reconciled statement before forwarding it to the accounting department within a time frame agreed upon by the purchasing and accounting units. By this process, you are agreeing that all information provided on the log and its attachments are correct and valid State expenses.
6	Agency	Keep all supporting documentation, pertaining to purchases and returns, on file. Note: Payment of the balance due by the 8 th can be made before the statement is reconciled, but reconciliation must occur prior to receipt of the following month's statement.

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Purchase Charge Card Statement Payment Procedures

The agency's accounting unit is responsible for processing payments to GE MasterCard by the 8th of each month. The following procedures must be followed when processing payments:

Step	Who	Action
1	GE MasterCard	<p>The Monthly Summary of Accounts statement is used to pay for all transactions on all purchasing cards for the entire agency, or for smaller organizational units if the agency has specified this arrangement with GE MasterCard and obtained separate billing levels. Individual cardholder's statements must not be used to pay bills.</p> <p>Note: If the agency has chosen to receive the paper bill, it is their responsibility to notify DOA and GE MasterCard if their paper statement has not arrived by the 23rd of the month. Agencies receiving paper bills are required to have access to the online statement as a backup to the paper bill. It is the agency's responsibility to ensure that DOA has accurate billing information.</p>
2	Agency - Accounts Payable	<p>Pay GE MasterCard by the 8th of each month. <u>Do not enter a due date on each line of your batch.</u> Leave the due date field blank.</p> <p>Enter the voucher in the system <u>no later</u> than 3 work days prior to the 8th of the month. This will allow time for processing of EDI and error corrections. Additionally, to allow adequate time for the EDI transmission to GE MasterCard, please add one (1) additional day to the suggested processing time in CAPP Topic No. 20310, <i>Expenditures</i>.</p>
3	Agency - Accounts Payable	<p>Use GE MasterCard's taxpayer identification number (TIN) as the vendor ID on the accounting voucher. This number is 06130149525. (Notice that the last 2 digits are the vendor suffix of 25.)</p>

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Purchase Charge Card Statement Payment Procedures (continued)

Step	Who	Action
4	Agency - Accounts Payable	<p>Properly code the GE MasterCard batch to ensure timely payments. To assist GE MasterCard in identifying payments, the following remittance information must be provided when processing payments. <u>A sample of the electronic version of the consolidated billing statement (e-Bill)</u> is included after these instructions for your reference.</p> <p>Account Number: This number was communicated to the PA by DOA. The last 6 digits of the account number are located in the right corner of the Monthly Corporate paper bill and on the e-Bill. Place this number (omitting hyphens and spaces) in the CARS "Invoice Description" field. Without the correct information, your payment posting will be delayed at GE MasterCard.</p>
		<p>Statement Date: Located in the left corner. Place this date in the CARS "Invoice Date" field.</p> <p>Due Date: Regardless of what is printed on the Statement, GE MasterCard payments are due by the 8th of each month. <u>Leave the due date filed blank on all GE MasterCard Purchase Card batches.</u> If you are unable to make your payment by the 8th of the month, contact the Statewide Charge Card Analyst as soon as possible with an explanation so that GE MasterCard can be alerted.</p> <p>Batch Type: Use Batch Type 3 in making your Purchase Card Payment.</p> <p>Debits: Use <u>Trans Code 334</u> with no due date.</p> <p>Credits: Use <u>Trans Code 149</u> for credits on the GE MasterCard card. Per the restrictions on TC149, do not enter anything in the Invoice number and Due Date fields.</p> <p>If you are unable to comply with these instructions due to financial system limitations, contact DOA to discuss alternatives.</p>

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Purchase Charge Card Statement Payment Procedures (continued)

Step	Who	Action
5	Agency Accounts Payable	Pay the full amount reflected in the Payment Due section of the charge card invoice. Disputed amounts and credits will appear on subsequent invoices. Do not reduce monthly invoices by unapplied credits.
6	Agency - Accounts Payable	Use the proper object code. Subobject codes 1209, 1309, 1509, and 2209 have been established as convenience codes, for payment of charge card expenditures, within each relevant major object code series. Use these codes for permanent recordation if more detailed coding is not possible. Reclassification to various subobject codes for state financial reporting purposes is not necessary. Use these codes only for the purpose of <u>recording expenditures</u> at the subobject code level, not for budgeting purposes.
	Agency - Accounts Payable	<p>Keep on file all documentation pertaining to reimbursement transactions.</p> <p>Payments to GE MasterCard for charge card purchases that should be paid from non-state (local) funds may be paid from the State treasury provided that the State treasury is reimbursed from the appropriate non-state funds within 30 days. Purchases and reimbursements relating to non-state funds must be made in accordance with CAPP Topic No. 20350, <i>Non-State Funds</i>.</p> <p>Note: Payment of the balance due by the 8th can be made before the statement is reconciled, but reconciliation must occur prior to receipt of the following month's statement.</p>

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Corporate Payment Services NetService

Account
Look up

Corporate
Reports

Transaction
Activity

Payment
Information

Account
Management

User
Manager

WELCOME APPLICATIONS MY PROFILE INBOX HELP SIGN OFF

Current Activity

Past
Statements

09/15/2005 SUMMARY OF STATEMENT

Please reference your paper statement for additional details and calculations.

Account: xxxx-xxxx-xxxx-0062
GE CPS PCARD CB

Cycle Activity Summary

Previous Balance	\$277,687.78
Payment	\$555,375.56
Past Due Amount	\$0.00
Payment Due	\$44,332.33
Ending Balance	\$44,332.33
Statement Date	09/15/2005
Dispute Amount	\$0.00
Amount of Purchases	\$323,842.90
Number of Purchases	6586
Amount of Credits	\$1,822.79
Number of Credits	6
Amount of Cash Advances	\$0.00
Number of Cash Advances	0
Amount of Misc. Purchases	\$0.00
Number of Misc. Purchases	0
Purchase Finance Charges	\$0.00
Cash Finance Charges	\$0.00
Over Limit Fee	\$0.00
Late Charge	\$0.00
Other Charges	\$0.00

Transactions During 09/15/2005 Cycle

DOWNLOAD

Click to download transactions for this cycle.

Date	Amount	Merchant Name
08/18/2005	(\$277,687.78)	ACH DIRECT PAY THANK YOU
09/01/2005	(\$277,687.78)	*IBS PAYMENT THANK YOU*
08/16/2005	\$676.50	IRON MOUNTAIN OFF-SITE
08/16/2005	\$85.22	AT&T BUSINESS SERVICES
08/16/2005	\$1,000.00	INN ON THE CREEK
08/18/2005	\$257.88	HUMMINGBIRD CMNCTNS IN
08/23/2005	\$19.91	AT&T BUSINESS SERVICES
08/24/2005	\$707.00	ATOMICPARK COM
08/27/2005	\$29,783.76	LAGOON
08/28/2005	\$30.00	DR *DIGIBUY.COM

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Overpayment of Purchase Card Monthly Invoices

Overpayments are defined as “Monies paid over the amount identified as the ‘Payment Due’ on the Monthly Consolidated bill from GE MasterCard.” Overpayments may arise from keying errors, rounding or not reflecting a credit in the payment, which resulted from a disputed charge on a prior bill.

When an agency receives their Monthly Consolidated bill from GE MasterCard, they must make payment for the full amount of the “Payment Due” by no later than 8th of each month. When an agency overpays their bill, GE MasterCard will “deduct” the overage from the next month’s bill. The agency will start the next cycle at a negative balance (the overpayment amount).

Agencies that do not resolve their overpayments in the following month, resulting in a check being cut to the Department of Accounts, may be noted in the *Comptroller’s Report on Statewide Financial Management and Compliance*.

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Management Information

Online Program Management

Online program management offers Program Administrators a simplified way of handling a variety of administrative tasks related to the administration and maintenance of their charge card program. Program Administrators can perform the following functions:

- Adjust Spending Limits
- Cancel a Card
- Change Accounting Information
- View Cardholders' Charges
- View Hierarchy
- Access Agency Reports

Web address: <https://gesamservice.corpcard.com/Paris>

GE MasterCard's Dedicated Program Administrator's COV Customer Service number is 1-866-843-1368 option 1.

To obtain logon information for SAM and NetService:

- Program and Back-up Administrators – use of the Program Administrator Form on DOA's Charge Card Administration web page assigns Program Administrators and the backups automatic access.
- Fiscal staff who need access to e-Bill – use the Electronic Bill Request form on DOA's Charge Card Administration web page.
- Fiscal staff or others who need access to reporting, use the SAM Reporting Request form on DOA's Charge Card Administration web page.

Online Management of Individual Accounts

Cardholders must view and print their monthly statements online by accessing GE NetService. The web address is www.genetservice.com. You will be prompted to sign in as a new user, provide a user name, password and provide your card number. Once given your online access, you can monitor your charges anytime during the month as well as access your monthly statement after the 15th of each month. There is a procedural guide for cardholders to use when accessing the system on the Charge Card Administration web page under GE Information.

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Management Information Reports

GE MasterCard provides agencies detailed management information reports that enable them to monitor cardholder usage, policy compliance, and frequency of vendor usage.

There are many standardized reports available using SAM; as well as the ability to perform queries for individualized agency reporting needs. Management information reports currently available include:

Supplier Management

Transaction Volume - YTD
SWAM DMBE Certified Report
1099 Report

Program Mgt / Policy Compliance

Cardholder Transaction Detail Report
Spending Analysis Detail
Cardholder Listing
Sales Tax Report

To obtain logon information for SAM -

- For Program and Back-up Administrators – use the Program Administrator Form on DOA's Charge Card Administration web page and select access to SAM Reporting.
- For Fiscal staff or others who need access to reporting – use the SAM Reporting Request form on DOA's Charge Card Administration web page.

TAX Exempt

SPCC and Gold Cardholders should not pay Virginia sales tax on goods and services. This does not apply to prepared foods. Cardholders are responsible for informing suppliers of the tax-exempt status when making telephone purchases. The phrase "Tax Exempt" is printed on each purchasing card.

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Management Information, Continued

1099 Reporting Payments made to vendors using the purchasing card may be subject to 1099 reporting. The agency is responsible for adding 1099 reportable payments to individual vendor payment totals for proper 1099 reporting. 1099 reports are available to assist in this process through SAM. If you are not signed up for access to SAM, please use the SAM Reporting Request form on DOA's Charge Card Administration web page.

Annual Update of Contacts Annually, each agency will be required to review and update the Program Administrator and Fiscal contacts, including back ups, for the SPCC and Gold card programs. DOA will distribute information to agencies for review and correction and will require the corrected information be returned within thirty (30) days.

It is the Agency's responsibility to notify DOA at any point during the year that a Program Administrator or Fiscal Contact has changed or has had a change to their information.

Internal Control

Internal Control Agencies must develop and document internal control procedures to ensure compliance with

- this CAPP topic,
- related CAPP topics as listed below,
- Commonwealth procurement rules and regulations, and
- Corporate Purchasing Card contract provisions.

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In summary, procedures must ensure, at a minimum, that


- all payments to GE MasterCard for both the SPCC and Gold cards are made no later than the **8th of the month**;
 - purchase logs and cardholder statements are obtained and reconciled with the corresponding GE MasterCard statement prior to receipt of the next GE MasterCard statement;
 - reconciled statements have been reviewed and approved in writing by the cardholder's supervisor;
 - unacceptable materials and incomplete services are documented and the purchaser took the appropriate corrective action with the vendor; and,
 - original payment processing documents are maintained in an agency file for audit purposes
-

Records Retention

Time Period Records should be maintained in accordance with CAPP Topic 20310, *Expenditures*.

Contacts


Contacts **Charge Card Analyst and Gold Card Statewide Program Administrator**

 (804) 371-4350

FAX (804) 786-9201


 cca@doa.virginia.gov

Assistant Director, State Payroll Operations and Charge Card Administration

 (804) 371-7800

 payroll@doa.virginia.gov

Director, State Payroll Operations and Charge Card Administration

 (804) 225-2245

 payroll@doa.virginia.gov

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Subject Cross References

References

CAPP Topic No. 20310, *Expenditures*

CAPP Topic No. 20350, *Non-State Funds*

Virginia Public Procurement Act (VPPA) – Department of General Services/Division of Purchases & Supply – www.dgs.virginia.gov

Agency Procurement and Surplus Property Manual (APSPM - Department of General Services/Division of Purchases & Supply – <http://dps.dgs.virginia.gov/dps/>
